

Patent Application of

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For

TITLE: PRE-AGREED ESTATE SETTLEMENT PLAN

CROSS-REFERENCE TO RELATED APPLICATIONS Not Applicable

FEDERALLY SPONSORED RESEARCH Not Applicable

SEQUENCE LISTING OR PROGRAM Not Applicable

BACKGROUND OF THE INVENTION—FIELD OF INVENTION

This invention, a business process, creates a fixed-cost method of transferring assets from deceased individuals to their beneficiaries.

BACKGROUND OF THE INVENTION

The traditional and typical method of transferring assets from deceased individuals to their heirs has been the will and

probate system. If no will of a deceased person exists or may be found, then assets of the deceased are probated according to each state's rules for intestate descent. This system exists in all fifty states, and in most states the cost and the length of time the process consumes is highly uncertain. Even in states which have set probate costs, such as California, the size of the estate, which is the term by which the assets left behind by a deceased individual or married couple are known, and the difficulty of settlement, which is the term by which the process of transferring said assets to the deceased beneficiaries is known, determines the cost, and that cost is considerably higher than settling the estate by non-probate means. The size of the estate is determined after death, so the cost of probate cannot be accurately anticipated by the individual or married couple making a will or wills.

Other methods of transmitting assets to beneficiaries are also uncertain. Owning assets in joint tenancy with heirs is essentially giving property away while still alive; there are potential tax and legal problems. In addition, if the heir/heirs should predecease his/her/their benefactor or benefactors, or die simultaneously, then the asset may be subject to probate under the terms of the beneficiary's will, or the rules of intestate descent.

Likewise beneficiarizing assets, which is when an individual or married couple, anticipating his/her/their decease, assigns a pay on death, transfer on death, or holds property in trust for his/her/their beneficiary or beneficiaries, does not fix costs of inheritance. Many people require legal help to obtain control of assets to which they are entitled, and, as above, beneficiarizing assets generally does not solve the potential problem of an heir predeceasing or dying simultaneously with his or her benefactor.

The use of trusts, both revocable and irrevocable, to bequeath assets likewise does not fix costs. Trusts may reduce costs, as trusts generally avoid probate, but trusts must be settled as well.

Thus, currently, no individual or married couple, anticipating his/her/their demise, is capable of fixing the cost by pre-agreement of transferring the assets of which their estate is comprised, to his/her/their heirs, after that demise.

#### BACKGROUND OF THE INVENTION-ADVANTAGES

My remedy for this situation is to provide a method of contracting between individuals or married couples anticipating his/her/their demise and also anticipating leaving after

his/her/their demise a bequeathable estate, between themselves and an individual, partnership or business entity qualified to settle the estate. Payment for settlement could be made in advance, or a combination of advance payment and a fixed post-mortem payment, or even all payment being made post-mortem according to a predetermined percentage or hourly rate. The buyer or buyers of the plan may be required to hold assets in non-probatable form, so that the future cost of settling the estate may be minimized and also pre-determined with greater accuracy.

If such a method is employed, then the cost of settling estates can be essentially guaranteed by the qualified individual, partnership or business entity offering settlement. The only uncertainty remaining for the buyer of such a service would be the payment of estate taxes. Since the exemption for federal estate taxes is currently one million dollars per individual, and rising, and many states do not have inheritance taxes, this method could fix a cost exactly to settle most middle-class estates.

Prior art for this invention, as far as I can determine, does not exist, or is of such a nature that it does not preclude this application. Prepaid burial plans are offered, but they only fix the cost of disposing of the deceased's remains.